

Dynamic Medical Technologies Inc. 2018 Investor Conference Report



Date : 2018/9/26

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Overview of DMT



董事長 Chairman
傅輝東 Tony Fu

曜亞國際

• 從台灣出發、 『光曜亞洲、放眼國際』

經營理念

• 客戶滿意 · 快樂員工 · 幸福企業 · 美麗人生

使命

• 誠信正直 團隊合作 當責創新

Top Provider of Medical Aesthetic Solutions in Asia

Dynamic Medical Technologies Inc.(DMT),was established in 2003. Consisting of experienced experts in different fields, DMT earns high reputation from both suppliers and customers.

Merged companies aim to build a complete medical beauty industry chain , providing customers with medical beauty equipment, medical beauty consumables, injection fillers, beauty care products, hair care and slimming treatments. Related products have obtained distribution agency rights in Taiwan, China, Hong Kong and other places. The company's products and instruments are from internationally competitive and safe high-standard manufacturers, with the company's integrated marketing strategy, medical beauty channel consultant management, professional education consulting and complete after-sales maintenance system to provide medical beauty customers. A full range of services to create "BEAUTY" innovation and business opportunities.

Top Provider of Medical Aesthetic Solutions in Asia

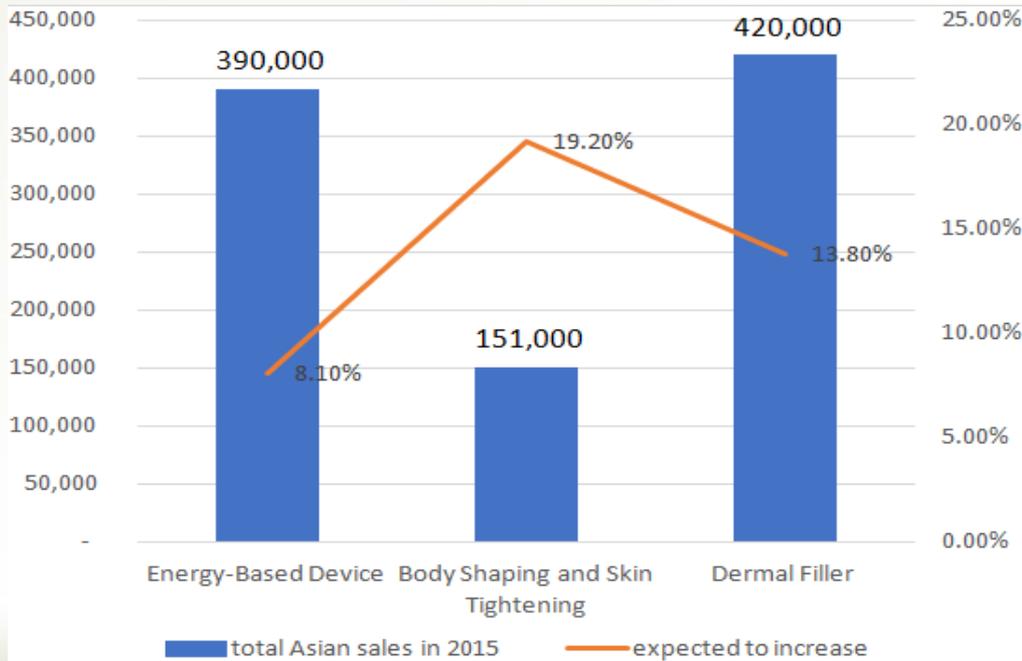
DMT is in the leading edge of the medical aesthetic market and has successfully created many trend products of the time, such as IPL, Skin-toning laser (C6), Fraxel, Ulthera, Picoway, vaginal lasers—Fotona Smooth and Viveve series.

Looking ahead, in addition to continuing to develop competitive new products, the company will also actively expand its business scope and deepen the Asian medical beauty industry through overseas investment.

Market Overview

According to the Asian-Pacific Market Study issued by Medical Insight, Inc. in Nov. 2016, total Asian sales of all aesthetic products and equipment reached US\$1.35 billion in 2016 and are expected to increase by 13.7% per year through 2021. Furthermore, medical aesthetic market can be divided into 4 sections: Energy-Based Device, Body Shaping and Skin Tightening, Dermal Filler and Neurotoxin, and DMT's distributed products covers the first 3 sections.

Unit : USD\$K



Medical Aesthetic Brands

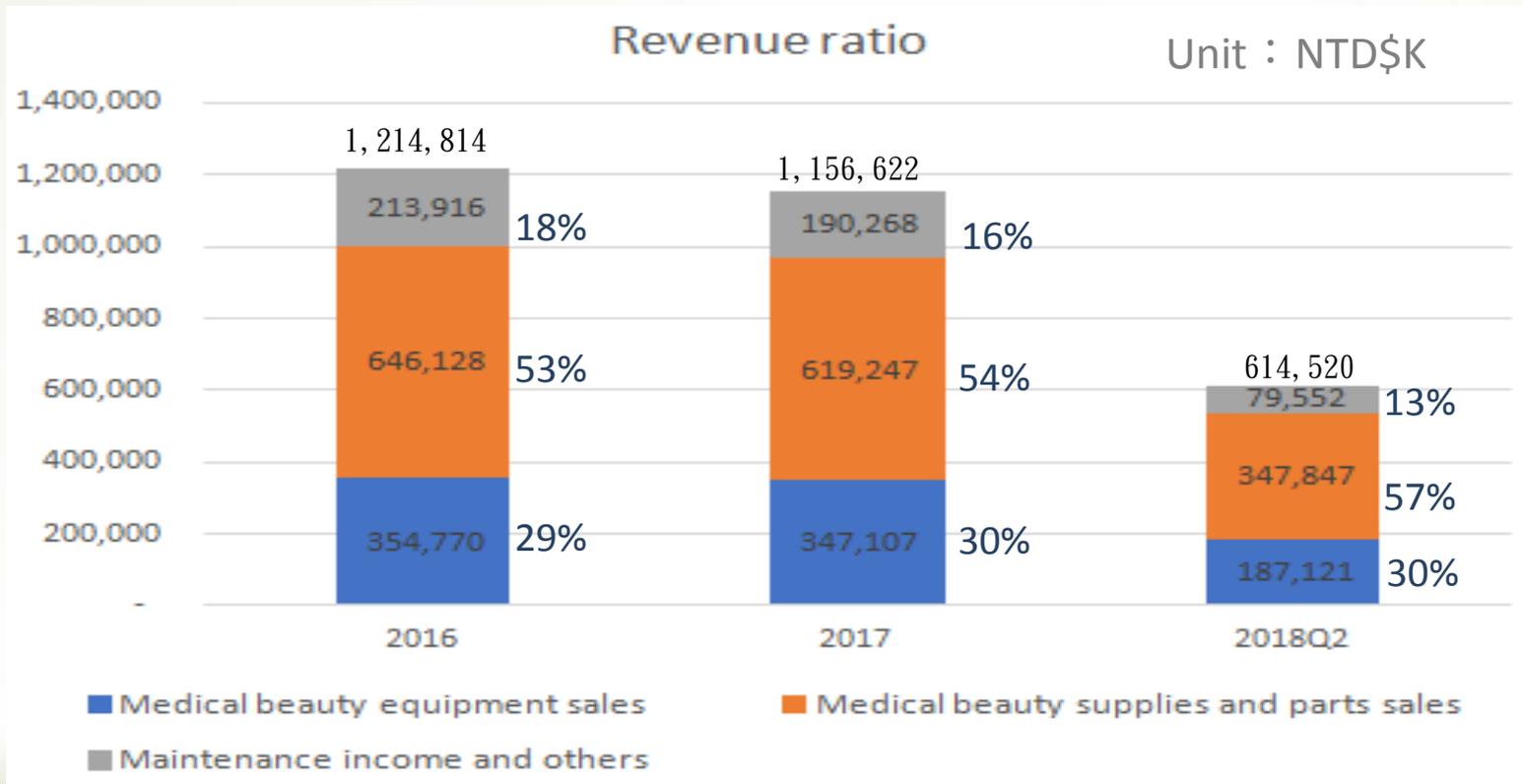


Products Distributed

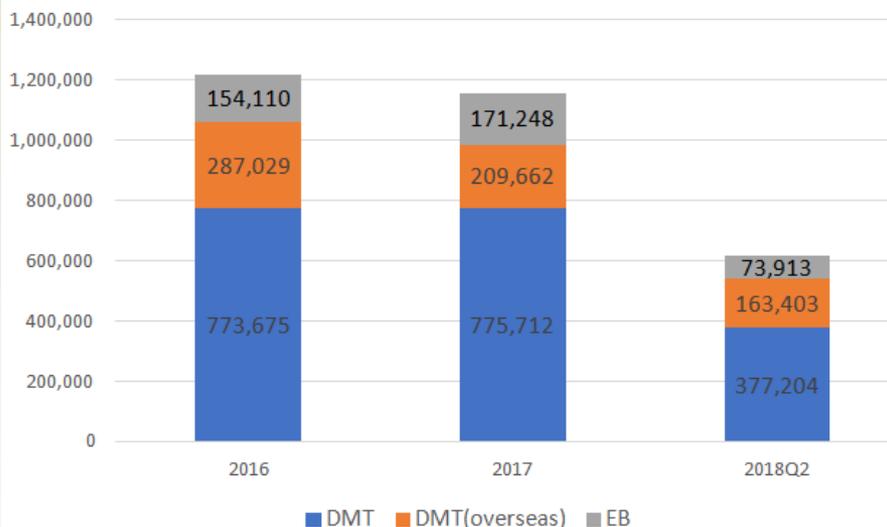


Business Overview

DMT's annual consolidation Revenue was over NT\$1 billion. The main source of operating income is medical beauty equipment sales, accounting for about 30%; medical beauty consumables and parts sales, accounting for about 55%, and maintenance income and other, accounting for about 15%.



OPERATING REVENUE

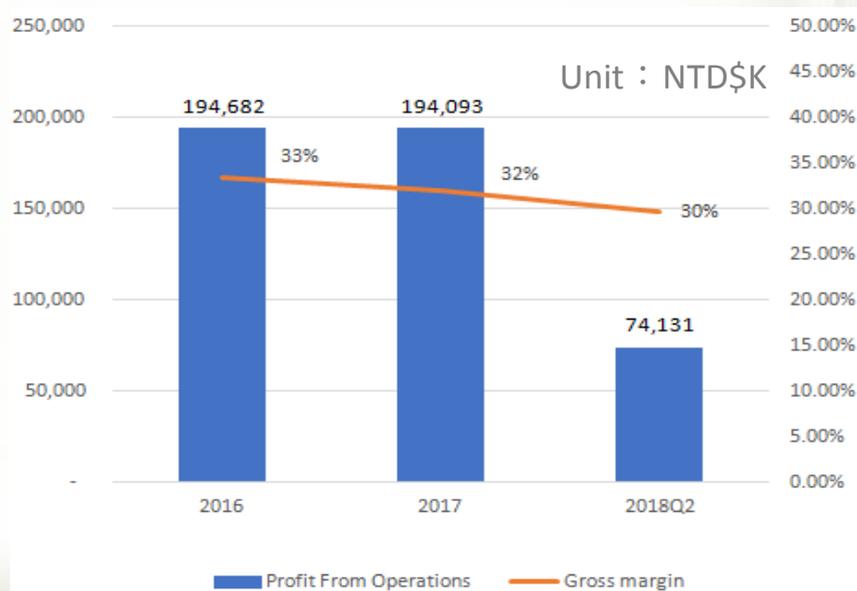


The 2017 annual operating income decreased compared with 2016, mainly due to the decline in the market demand for Machine consumables of overseas companies.

In the first half of 2018, the amount of operating income increased, mainly due to the rebound in demand for Machine consumables from overseas companies.

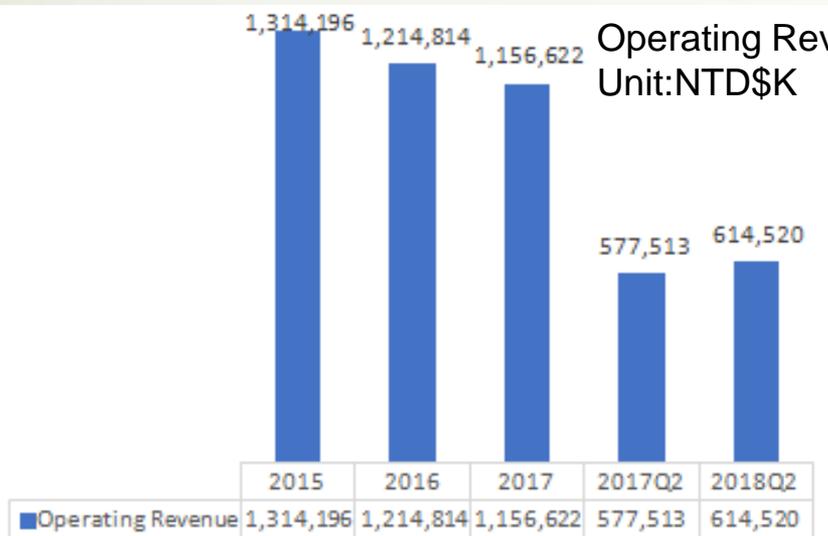
The net profit of the company was slightly lower than that of 2016 in 2017, mainly due to a slight decline of revenue.

The first half of the year of 2018, which was lower than that of the same period in 2017, was mainly due to the decrease in gross profit margin which the sales mix of the products. And the increase in operating expenses due to the expansion of Chinese operating team.

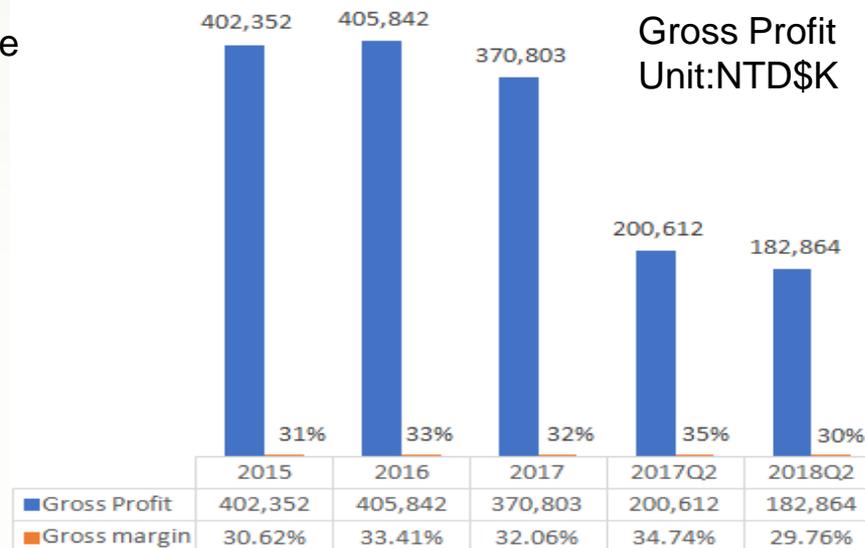


Financial Overview

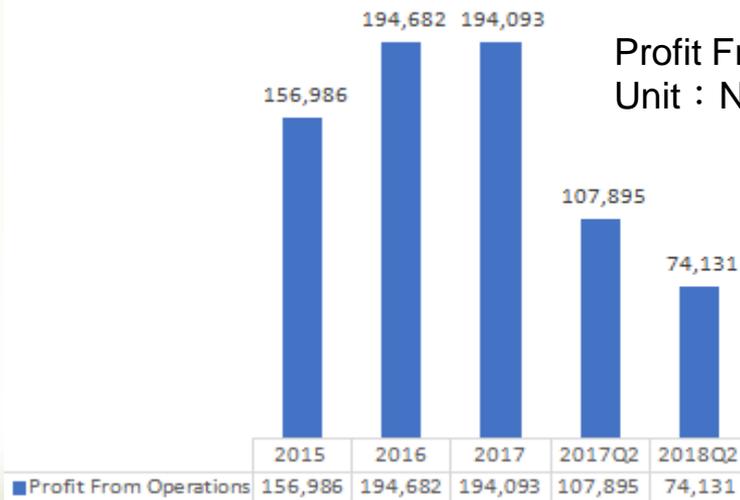
Operating Revenue
Unit:NTD\$K



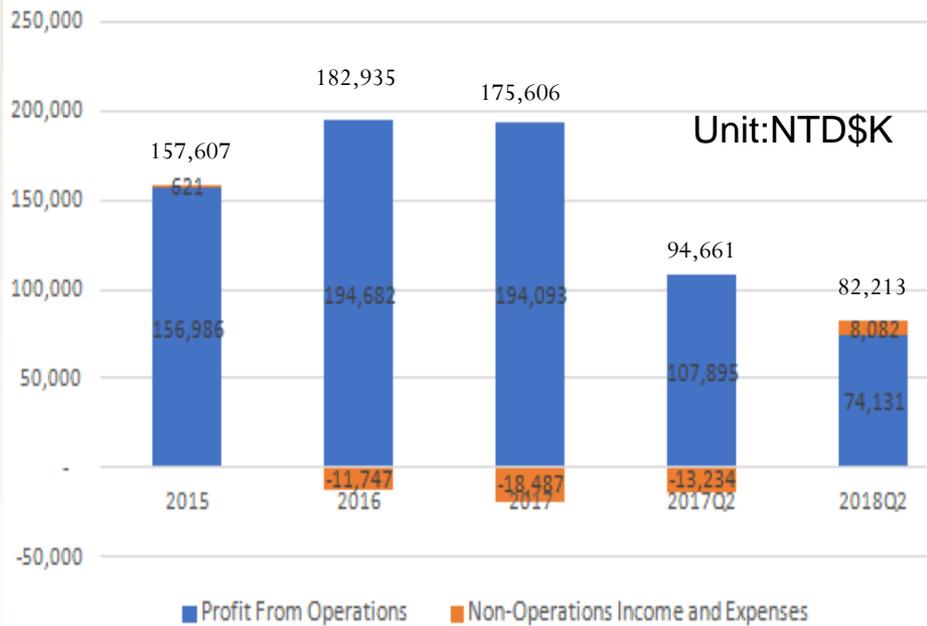
Gross Profit
Unit:NTD\$K



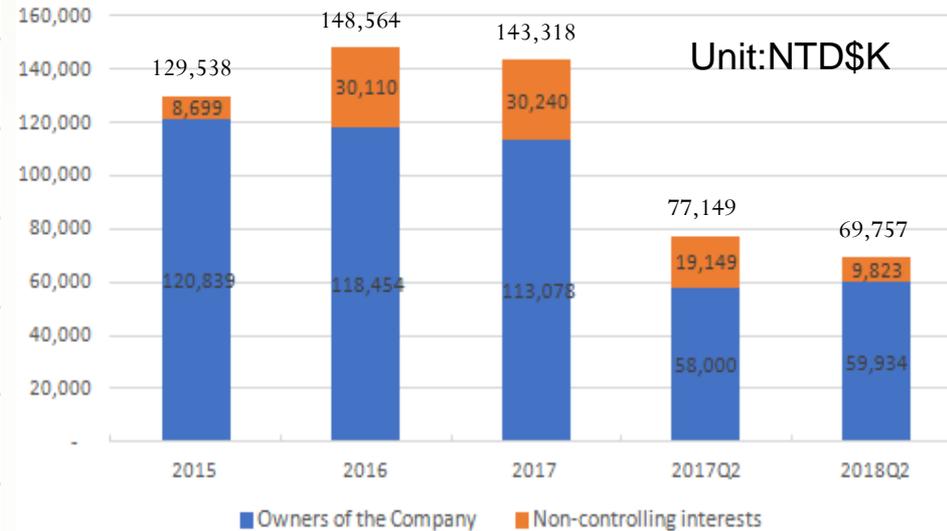
Profit From Operations
Unit : NTD\$K



Profit Before Income Tax



Net Profit for the year



	2015	2016	2017	2017Q2	2018Q2
■ EPS	4.05	3.95	3.77	1.93	2.00

Investment Overview

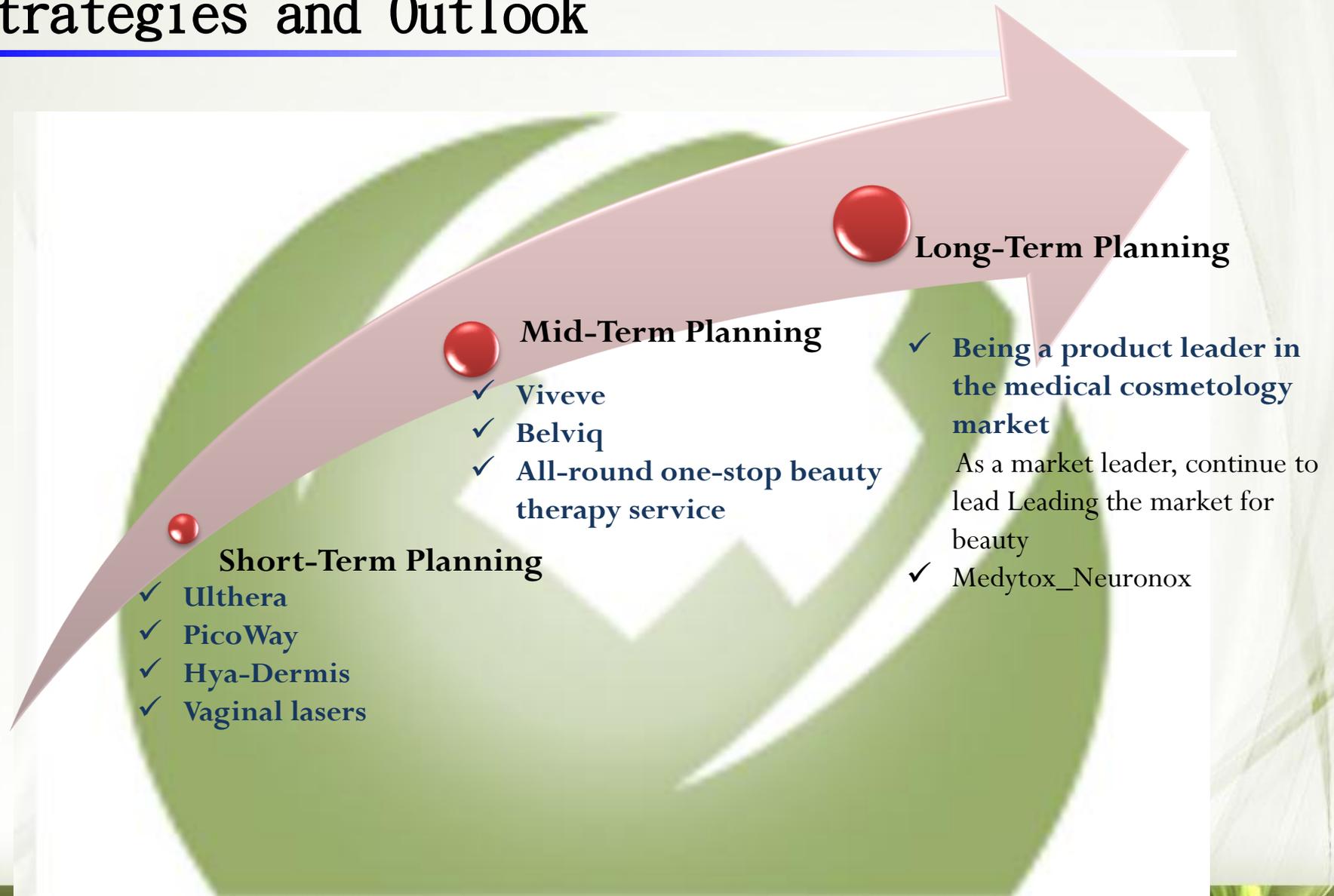


Dr.CYJ
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 新品上市

養髮不停歇 勝機無極限

Dr.CYJ 髮勝肽健髮中心

Strategies and Outlook



Appendix

CONSOLIDATED BALANCE SHEETS

Unit : NTD\$K	2016/12/31	2017/12/31	2018/6/30
Cash and cash equivalents	918,807	925,464	897,847
Debt investments with no active market - current	341,616	330,600	121,230
Notes receivable & Trade receivables	216,822	162,130	203,487
Inventories	267,329	385,709	402,314
Other current assets	40,425	26,843	24,943
Total current assets	1,784,999	1,830,746	1,649,821
Long-term investment	277,826	239,939	186,454
Property, plant and	59,181	68,074	58,131
Other non-current assets	147,245	171,456	178,887
TOTAL	2,269,251	2,310,215	2,073,293

CONSOLIDATED BALANCE SHEETS

Unit : NTD\$K	2016/12/31	2017/12/31	2018/6/30
payables	44,957	104,460	37,604
Other payables	159,077	183,220	300,639
long-term liabilities- current portion	-	299,606	-
contract liability	304,563	274,764	299,987
Other current liabilities	36,039	30,160	36,408
Total current liabilities	544,636	892,210	674,638
Bonds payable	294,518	0	-
Other non-current	12,332	8,770	9,406
Total liabilities	851,486	900,980	684,044
Ordinary shares	300,000	300,000	300,000
Retained earnings	278,513	282,470	240,464
Capital surplus	625,942	625,942	625,942
Other equity	66,370	31,394	68,371
NON-CONTROLLING INTERESTS	146,940	169,429	154,472
Total equity	1,417,765	1,409,235	1,389,249
TOTAL	2,269,251	2,310,215	2,073,293
The Net Asset Value of Each Share	47.26	46.97	46.31

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unit : NTD\$K	2016		2017		2017/6/30	
	AMT	%	AMT	%	AMT	%
OPERATING REVENUE	1,214,814	100.00	1,156,622	100.00	614,520	100.00
OPERATING COSTS	808,972	66.59	785,819	67.94	431,656	70.24
GROSS PROFIT	405,842	33.41	370,803	32.06	182,864	29.76
OPERATING EXPENSES	211,160	17.38	176,710	15.28	108,733	17.69
PROFIT FROM OPERATIONS	194,682	16.03	194,093	16.78	74,131	12.06
NON-OPERATING INCOME AND EXPENSES	(11,747)	(0.97)	(18,487)	(1.60)	8,082	1.32
PROFIT BEFORE INCOME TAX	182,935	15.06	175,606	15.18	82,213	13.38
INCOME TAX EXPENSE	34,371	2.83	32,288	2.79	12,456	2.03
NET PROFIT FOR THE YEAR	148,564	12.23	143,318	12.39	69,757	11.35
OTHER COMPREHENSIVE INCOME	(33,839)	(2.79)	(35,048)	(3.03)	33,995	5.53
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	114,725	9.44	108,270	9.36	103,752	16.88

NET PROFIT ATTRIBUTABLE TO:

Owners of the Company	118,454	9.75	113,078	9.78	59,934	9.75
Non-controlling interests	30,110	2.48	30,240	2.61	9,823	1.60
	<u>148,564</u>	12.23	<u>143,318</u>	12.39	<u>69,757</u>	11.35

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:

Owners of the Company	84,615	6.97	78,030	6.75	94,710	15.41
Non-controlling interests	30,110	2.48	30,240	2.61	9,042	1.47
	<u>114,725</u>	9.44	<u>108,270</u>	9.36	<u>103,752</u>	16.88

Ordinary shares	300,000		300,000		300,000	
EPS	3.95		3.77		2.00	

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unit : NTD\$K	2016	2017	2018/6/30
Profit before income tax	182,935	175,606	82,213
Net cash generated from operating activities	247,329	143,683	(21,228)
Net cash from (used in) investing activities	(241,056)	(7,102)	288,733
Net cash generated from (used in) financing activities	(119,985)	(116,848)	(300,119)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(8,344)	(13,076)	4,997
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(122,056)	6,657	(27,617)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,040,863	918,807	925,464
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	918,807	925,464	897,847

Long-term cooperation with partners continues growing strong

Accumulated years of experience, DMT is in the leading edge of the medical aesthetic market by means of sophisticated sales and marketing forces and dedicated service and management team. With successful integration, DMT has achieved vertical integration of medical aesthetics resources. From importing medical aesthetic products to assisting clinical operations, DMT has created global competitive advantage. We have already positioned ourselves in the Greater China market and will keep making all-out effort to enhance Greater China Medical Aesthetic market. The value created by DMT will be clear for all to see!





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international medical aesthetics equipment selling

Medical aesthetics equipment maintenance

Dermal filler selling

Integrated marketing services for medical aesthetics

Professional hair growth system selling